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Abbott, Jo

Sherman law and free
coinage of silver

Washington

1893

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SHERMAN LAW
AND
FREE COINAGE OF SILVER.

REMARKS

OF

JO ABBOTT,

OF TEXAS,

IN THE

HOUSE OF REPRESENTATIVES,

August 22, 1893.

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REMARKS
OF
HON. JO ABBOTT.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. ABBOTT said:

Mr. SPEAKER: An opportunity was tendered me in the early part of this debate to address the House on the pending bill, but, being unable to do so at the time on account of illness resulting from a severe cold, I avail myself of the privilege extended to all members by order of the House to print in the RECORD the remarks I would have made.

I am not vain enough to suppose that they will change the opinion of any member of this body on the important subject now under discussion, but I feel that it is a duty I owe to those whom I have the honor to represent, as well as to myself, to place my views before the country.

By the act of February 12, 1873, silver was demonetized. I deem it unnecessary to recur to the facts and circumstances connected with the passage of that most infamous act. President Grant and Speaker Blaine afterwards declared that they did not know, when they signed the bill, that it contained provisions which demonetized silver.

It seems that months had elapsed, even before many members of Congress knew what had been done. As soon as it became generally known that silver had been demonetized and half of the metallic currency had been destroyed, the voice of the people—especially of the laboring and producing classes—came in thunder tones from every part of the country demanding the restoration of silver. Members of Congress, of both of the great political parties, were elected, pledged to the restoration of silver as a money metal.

In obedience to that demand, seventeen years ago the battle was begun in this Hall by the Democratic representatives of the people against the gold combination of this country and Europe. The battle raged fierce and bitter until it culminated in what is generally known as the Blund-Allison compromise act of 1878, by which not less than two nor more than four millions of silver dollars should be coined per month. Under that act about \$425,000,000 have been placed in circulation and are now in the hands of the people, either in the form of silver dollars or silver certificates.

During that great contest that eloquent and distinguished statesman who now holds the portfolio of the Treasury Department, Mr. Carlisle, in referring to the ruin and disaster which would follow the permanent destruction of silver as a money metal, said:

I know the world's stock of precious metals is none too large, and I see no reason to apprehend that it will ever become so. Mankind will be fortunate, indeed, if the annual production of gold and silver coin shall keep pace with the annual increase of population, commerce, and industry.

According to my view on the subject, the conspiracy which seems to have been formed here and in Europe to destroy by legislation and otherwise from three-sevenths to one-half of the metallic money of the world is the most gigantic crime of this or any other age. The consummation of such a scheme would ultimately entail more misery upon the human race than all the wars, pestilence, and famine that ever occurred in the history of the world. The absolute and instantaneous destruction of half the entire movable property of the world, including houses, ships, railroads, and all other appliances for carrying on commerce, while it would be felt more sensibly, at the same moment would not produce anything like the prolonged distress and disorganization of society that must inevitably result from the permanent annihilation of one-half of the metallic money in the world.

This eloquent and forceful language only voiced the unspoken sentiment of the producing and laboring classes. While they approved of the compromise made, they were aware that it gave them only partial relief. They were not fully satisfied with results, and therefore urged their representatives to renew the fight and never cease the struggle until the citadel of the enemies of silver should be stormed and captured and gold and silver placed on an equality.

Unfortunately, however, for the country and silver, the great contest at the polls in 1888 resulted in the temporary defeat of the friends of silver and the placing of all the branches of the Government in the hands of the Republican party—the party that demonetized silver in 1873, passed the Sherman act of 1890, and will now vote to strangle its offspring.

The act of 1890 repealed the Bland-Allison act of 1878, and provided that the Secretary of the Treasury should purchase 4,500,000 ounces of silver at the market price, in payment of which he is required to issue Treasury coin notes, which notes may be redeemed in either gold or silver, at the discretion of the Secretary of the Treasury. Something more than \$146,000,000 of these Treasury notes have been issued and put in circulation.

I have now given a very brief statement of the silver legislation since 1873.

The President has thought proper to call us together in extraordinary session and has asked us in his message to repeal the silver-purchasing clause of the Sherman law, attributing, as I understand the message, the distrust and fear existing in banking and commercial circles as well as the money stringency to the Sherman act.

With due deference to the President, it seems to me to be our duty, as well as his, to ascertain the true cause or causes which have led us to the impending financial crisis, and to discover the proper remedy to be applied to remove the causes, restore confidence, and reestablish a healthy condition of business and trade.

We see from the papers that the same financial troubles that

exist here exist in England and in all the European states, as well as in India and other Eastern countries. Certainly the Sherman law can not be so far-reaching in its effects as to produce these results.

Why, Mr. Speaker, we have had in circulation for more than fifteen years \$346,000,000 of Treasury notes, usually called greenbacks, based on \$100,000,000 of gold deposit, and for nearly the same time \$330,000,000 of silver certificates, based on silver deposits. These currencies have not produced a panic! How, then, can it be possible for the issuance, during the past three years, of \$146,000,000 of Treasury coin notes, based on silver purchases and redeemable in either gold or silver, at the pleasure of the Secretary of the Treasury, to create a panic, disturb business relations, and produce a stringency or scarcity of coinage?

This proposition seems to me to be so illogical as to be unworthy of serious consideration. The amount of coin Treasury notes issued under the Sherman act is so insignificant when compared with the whole amount of money in and outside of the Treasury that it seems almost absurd that anyone would ascribe the present financial depression and money stringency to such a cause.

If these notes were to be called in and canceled, thus reducing the volume of money in circulation, I can see very well why the banks might complain of hard times and the scarcity of money; but when they go to swell the volume of currency and add to the amount of the circulation, to say that they produce a scarcity is equivalent to saying that one added to five makes four.

But we are told by some gold bugs that it is not because of the \$4,000,000 which are monthly added to our circulation under the Sherman law, that has produced the scare and uneasiness which have caused the depression and influenced depositors to withdraw their deposits from the banks and put the money in hiding places, but because if the Sherman act is not repealed it will eventually lead to the free coinage of silver and the establishment of silver as the standard of value. This sort of argument, Mr. Speaker, exposes the whole secret. It is a fight for gold and against silver.

But it will be remembered that such was not the declared purpose of those who favored and supported the Sherman bill when it passed this House in 1890. We knew then that its supporters did not intend to advance the cause of silver, but to destroy it. It is well known that it was a "cowardly makeshift" resorted to to prevent the passage of a free coinage bill.

Nearly every Democratic member of Congress voted against that bill. They charged then the friends of that measure with the deliberate purpose and "intention of destroying silver and preventing its future coinage," for, by the terms of the bill, the further coinage of silver after July 1, 1891, was left to the discretion of the Secretary of the Treasury, who was known to be hostile to that metal.

The truth of the charges then made against the supporters of the Sherman bill are being verified to-day. They have turned against their own offspring and are holding it up to the world

as a great monstrosity, and charging it with all the woes and evils which now threaten the business of the country.

Mr. Speaker, while I do not intend to defend this child of the opponents of silver, I do not believe that it is in anywise responsible for the fear and distrust now existing in commercial circles.

I voted against that bill because it repealed the only silver-coinage act on our statute books. I voted against it because I thought it would delay the passage of a free-coinage bill and because I thought it would eventually result in contracting our currency by destroying silver, which is the basis of one-half of our currency, which is now sought to be done.

I am aware that the unconditional repeal of the Sherman law will not affect the silver already coined or the Treasury notes issued under this law, but it will stop the coinage of any more silver in future and the issuance of any more Treasury notes based on silver. The question then arises, how can the Government increase the supply of currency to meet the rapidly increasing business and commerce of the country? If this law be unconditionally repealed, there are left only two ways by which the supply of currency can be increased—one is by the yearly product of the gold mines and the other is by issuing and selling bonds—unless we repeal the tax on State banks and look to the States to supply the demand.

The Director of the Mint shows, in his last report, that the gold product of this country for the calendar year 1892 was only \$33,000,000—\$175,000 less than for the year 1891. That during that year \$16,000,000 were used in the industrial arts, by jewelers, dentists, and plate-makers. Thus it will be seen that we can not rely on the output of the mines to supply the increasing demand for money after deducting the amount consumed in the arts. It follows, then, as a matter of course, that the Government must issue and sell bonds to get money to meet the demands of industry.

Now, I think I have arrived at a point from which the depression and distrust in business circles may be explained. The Sherman law has evidently had nothing more to do with present conditions than the laws of the Medes and Persians.

From a careful study of the subject I firmly believe that there exists a conspiracy, entered into by the money powers of this country and Europe, to destroy silver as money and force an issue of interest-bearing bonds; and to this end they have created doubt and fear in the minds of the people in almost every part of the country as to results which will follow the refusal of Congress to repeal the Sherman law and destroy silver as money.

In support of this opinion, I desire to refer to the fact that boards of trade, banking houses, and wholesale merchants of New York and other great cities have flooded every part of the country with their printed and typewritten letters, inveighing in bitter terms against said act, and predicting dire calamities to the business interests of the country if said act is not unconditionally repealed.

I do not think that I would exaggerate to say that I have received five hundred letters, sent out alone by one firm of dry

goods merchants of the city of New York, and which were sent to me by constituents, who felt alarmed at the representations made therein of a threatened crisis if the Sherman law was not unconditionally repealed. These letters, which are merely duplicates, appeal to the party addressed to use his influence with his Senators and Representatives to immediately vote for the repeal of the law, and indirectly suggest that the proper solution of the matter is to issue bonds, payable in gold, with which to buy gold from abroad.

It is a fact which no one can deny, that these letters which have filled the mails and flooded the country for the past four months have created distrust and fear among the people, as well as retail dealers and country bankers. Many of these people have not had the facilities for, or the time to study the questions involved, and consequently they became alarmed and began to hoard their money, when in truth there was no cause for fear. If they would have reflected for a moment they would have understood that these representations were made for selfish motives—to make money by destroying silver, thus increasing the value of their gold. It is not surprising, however, that distrust should exist in the country, and that depositors in banks should withdraw their money and hoard it, when the daily mails informed them that a crisis was impending.

The way I interpret the signs of the times is, New York undertook to scare the people and force them to demand of their representatives in Congress the repeal of the Sherman law and the demonetization of silver. They have succeeded in scaring the people, who in self-defense have raided the banks and forced them to pay a premium for cash, whether of silver or gold or of greenbacks. My sympathy is with the depositors, but I do not have the slightest sympathy with the banks in this light. They have brought it on themselves. They "sowed the wind, and have reaped (and are reaping) the whirlwind."

My opinion is they did not expect to force a crisis, but they gave the people such a fright they could not stay the tide that set in against them. I hold them responsible for the existing condition of things, believing they brought it about for no other reason than to secure the demonetization of silver and the issuance of gold bonds.

We are told by the friends of gold that a large volume of currency is not necessary to do the business of the country—that over 90 per cent of all the business is done on the credit system by checks and drafts. This may be so, and in commercial circles it is a convenient method of transacting business, but when confidence is broken down, when the country becomes panic-stricken, as it is to-day, the check system is a failure.

It requires a visible circulating medium, actual cash to meet the demands of the times. Messrs. Chisholm & Co., bankers and brokers, Broadway, New York, in their circular letter of August 14, say there is a currency famine in that city, that the silver dollar is at a premium. So, we see it is performing its functions as money in that great city where it is despised, and if the impending crisis be averted it will, in my opinion, be due to the silver dollar and the currency based on it.

The Government must preserve a larger volume of currency

to meet such an emergency as exists to-day and prevent a combination of bankers and bondholders from bringing ruin and disaster upon the country by the destruction of silver as attempted by this bill.

I contend that the only way a reliable and stable currency can be established and maintained is to reenact in substance the coinage laws which were in force before the demonetization of silver in 1873, and provide that the holders of either coin may deposit the same and in lieu thereof receive Treasury coin notes, such as are now issued under the Sherman law, and make it compulsory on the Secretary of the Treasury, when such notes are presented for redemption to pay the same out of that coin, whether silver or gold, which may be in excess of the other at the time the notes may be presented.

By the enactment of such a law as I have outlined a parity of the two metals would necessarily be preserved, as the holder of the notes could not dictate the coin in which they would be redeemed and, therefore, these semiannual raids on the Treasury to secure gold would be stopped.

Mr. St. John, president of the Mercantile National Bank, of New York, gave the proper solution of the trouble when he said:

If the United States will provide itself a monetary system it will be found that there are inducements enough for the outside world to trade with us to make our system satisfactory to all concerned.

To talk of "money universally recognized by all civilized countries" is a solecism and utterly meaningless.

Everybody knows that gold and silver coins, as well as paper currency, are money, in the proper meaning of that word, only in the country where the coins are stamped or the paper issued. The coins of no civilized or uncivilized country are money outside of the limits of their own country. They may have value, but it is merely a commodity value like that of wheat or cotton.

I think that the time has come when Congress should legislate for the people of our own country and not for the outside world.

Twice in our history we have declared and maintained our independence of Great Britain, but it seems, after all, that we are to become the slaves of the gold jugglers of London; and what is most surprising to me is that Democratic statesmen will rise on the floor of this House and endeavor to maintain the financial supremacy of England, the greatest creditor nation on earth and into whose coffers more than \$500,000,000 annually flow from other nations which are her debtors.

England, Germany, and France, as well as all other nations of the world, have established their own financial systems. They regulate, by law, the coinage of the metals and their value, and the issuance of paper currency to suit themselves. They do not consult each other or the people of any other nation. Then, why should we, who claim to be the freest, the greatest, and most enlightened people of earth, shape our financial system to please the kindly governments of Europe, and thereby pauperize the masses of our people?

France, which occupies a territory less in extent than the State which I in part represent, in the face of all the gold

nations of Europe maintains her \$700,000,000 of silver at the ratio of 15½ to 1. With a population nearly double that of France, with natural advantages and resources infinitely superior, why we cannot maintain a silver circulation, or currency based on silver, equal to that of France is incomprehensible to me, especially so when our ratio is 16 to 1.

The Director of the Mint, in his report for the calendar year 1890, shows that the total amount of silver coin of the world, outside of the United States, is in round numbers \$3,340,000,000. If the whole amount of this silver was brought to this country and coined into dollars at the existing ratio it would be less than \$50 per capita, estimating our population to be 70,000,000.

But, Mr. Speaker, I do not see how anyone can honestly believe that any considerable amount of foreign silver would be imported into this country. Certainly France would not part with her \$700,000,000, which is on a parity with gold at 15½ to 1, and coin it at our mints at 16 to 1, or at a higher ratio. Nor would India and other Eastern countries bring their \$2,000,000,000 of silver to this country to be coined at a greater ratio than their own, which is 15 to 1.

This war on silver does not spring from a belief that such would be the case, and no one knows it better than the bankers themselves.

The simple, plain truth is, that within the next fourteen years all the Government bonds will have matured, and will be paid off and canceled unless some provision be made for refunding them, or for the issue of new bonds. When the bonds, which are deposited in the Treasury to secure the national-bank notes, mature and are paid off and canceled, the banks go with them, as their life depends on the length of time the bonds run. Their fight against silver is not because they fear the free coinage of silver will produce a redundancy of currency, but because it will render unnecessary the further issuance of bonds.

This fight by the banks against silver means a fight against the people, a fight for more bonds, a fight for their own existence, a fight for dear life, for they know that their death is inevitable within fourteen years unless new life is given them by the issuance of more bonds. They denounce Treasury notes which are based on the credit and good faith of the Government and also on gold and silver, yet they demand bonds, bearing interest, which rest solely on the good faith of the Government.

By this nefarious scheme they tax the people to pay interest on the bonds, and charge them usurious interest on a loan of their notes.

The gold bugs and bankers on the other hand charge the friends of free coinage with a desire to force upon the country a dishonest dollar, a 70-cent dollar. This charge is not only misleading, but absolutely false, as I will show. The coined silver dollar will purchase to-day in any part of the United States as much as the gold dollar. It commands as high a premium in the markets as gold and is as earnestly sought after by all classes. But they say silver bullion has declined in all the markets of the world, and it is now only worth 70 cents as compared with gold.

This is true; but any one capable of reasoning from cause to effect readily understands why this is so.

The money powers which have dominated and controlled the financial legislation of Europe and, for the past thirty years, of this country have resorted to all known methods to debase and destroy silver as a money metal. They have been, year by year, strengthening their forces, and if they gain the great battle now being fought they will have accomplished their purpose, and silver will go still lower for a time.

It is remarkable, almost phenomenal, that silver has maintained itself as well as it has against the combined gold powers of this country and Europe. The only explanation is that silver is the money of the people. They want it, they demand it, and will never cease to fight for it until their victorious banner floats aloft from the national Capitol.

The reason that silver bullion has depreciated in value is because the principal use to which it has heretofore been applied has been destroyed.

Gold is used in the fine arts and for coining money free. When silver was thus used it was at a premium above gold, but since unfriendly legislation has denied it mintage, and thus destroyed its principal use, it has necessarily depreciated, as there is no demand for it except in the arts; but if the Bland substitute to be bill now pending should become a law, that very moment silver at 16 to 1 would be equal to gold.

The value of everything depends on the use to which it is applied. This was illustrated by the eloquent and distinguished gentleman from Pennsylvania [Mr. SILLY], whose speech is not yet published, who said if it were possible for the Government to close all the wheat mills of the country and prevent the further grinding of wheat into flour its principal use would be destroyed, and therefore of no value except for forage.

When the gold bugs talk of the intrinsic value of gold as a fixed, inflexible, unchangeable value, they talk of a myth or something that never existed, and never will, as a fact.

There can not be an intrinsic or inherent value in anything independent of its use. Corn, cotton, wheat, and bacon have intrinsic exchangeable values as well as gold and silver; but the value of each depends on the demand for its use. All values are comparative and must necessarily be so.

When the wheat and cotton crops are short and insufficient to supply the demand, their relative value to gold is increased; but when these crops are superabundant and the supply greater than the demand, their relative value to gold is diminished. So, therefore, the value of gold, intrinsic and otherwise, depends on the amount it will buy, or its purchasing power. Suppose that Congress and the other nations of Europe should destroy gold as a money metal and prevent its future mintage, as they are trying to do with silver; every one knows that it would immediately decline in value, as its purchasing power would be destroyed. It would cease to be a medium of exchange, and consequently its value would depend on the demand for its use in the arts.

It seems to me to be impertinent and in bad taste for bankers

and gold-holders, who have secured the debasement of silver by questionable methods, to now come before Congress and the country and assert that, because silver bullion is below gold bullion, we should not coin it at the existing ratio, because it would be a dishonest dollar. Let us pause a moment and inquire on which side of this question stands the dishonest dollar. Was it honest to destroy the silver dollar in 1873, when it was at a premium of 3 per cent above gold?

After the money quality of silver was destroyed, was it honest for the Secretary of the Treasury, Mr. SHERMAN, to receive \$80,000,000 gold deposit for silver certificates?

Was it honest treatment of silver, after this question had been settled at the polls by the people who elected Representatives from both of the great political parties pledged to the restoration of silver, for an unfriendly President and Senate to force an unsatisfactory compromise limiting its coinage, as was done in 1878?

After its coinage was suspended by the act of 1890, is it honest to contend that the silver dollar is a dishonest dollar because its bullion value is less than that of gold?

Treat silver as gold and it will be its companion and its equal. Take one of your horses, abuse him, maltreat him, turn him out on the commons to gather his food, will he be as useful, as serviceable, and as salable as his well-fed companion whom you protect from cold, hunger, and want?

The fact is, the silver dollar is the only honest dollar this country ever had, and I may go further and say that the bullion value of the silver dollar, though beset with enemies on every hand, is still an honest dollar. This statement, I know, will not be accepted by the gold bullionaires, but I will establish its truth by incontrovertible evidence. I appeal to the farmers, the producing classes in every part of the country, to bear witness to the fact, that the bullion value of a silver dollar will buy as much or more of the products of the farm than it ever did before.

By an examination of the following table, compiled from the official reports by the Bureau of Statistics and the Directors of the Mint, the truth of my proposition will be shown.

I used this table and substantially the same argument I now make in a speech I delivered in Congress March 23, 1892. I have added to the table then used the bullion value of the silver dollar for the years named.

Anyone doubting the correctness of the table can find its verification by referring to page 8, Bureau of Statistics, Foreign Commerce, for the year 1891, and Director of Mint Report on Production of Metals for 1890, page 223, and for 1892, page 30.

Year.	In the home markets.			Bullion value per fine silver dollar.	Silver per ounce.*
	Cotton per pound.	Corn per bushel.	Wheat per bushel.		
	<i>Cents.</i>	<i>Cents.</i>			
1872	19.3	70	\$1.47	\$1.03	\$1.32
1873	18.8	62	1.31	1.00	1.29
1874	15.4	72	1.43	.98	1.27
1875	15.0	85	1.12	.96	1.24
1876	12.9	67	1.24	.89	1.15
1877	11.8	54	1.17	.92	1.20
1878	11.1	56	1.34	.89	1.15
1879	9.9	47	1.07	.86	1.12
1880	11.5	54	1.25	.88	1.14
1881	11.4	58	1.11	.88	1.13
1882	11.4	67	1.19	.87	1.13
1883	10.8	68	1.13	.85	1.11
1884	10.5	61	1.07	.83	1.11
1885	10.6	54	.86	.82	1.06
1886	9.9	50	.87	.76	.99
1887	9.5	48	.89	.75	.97
1888	9.8	55	.85	.72	.93
1889	9.6	47	.80	.72	.93
1890	10.2	49	.83	.80	1.04
1891	6.0	41	.85	.76	.90
1892				.67	

* The coinage value of an ounce of pure silver is \$1.30.

As silver depreciated in value a corresponding decrease in the value of farm products followed, as shown by the above table.

It will be further seen from the above table that in 1873 the value of the bullion in a silver dollar was of the value of \$1. It was then on a parity with gold. Cotton was then worth over 18 cents a pound. Therefore the bullion value of a silver dollar would buy 34 pounds of cotton, about 1½ bushels of corn, and about two-thirds of 1 bushel of wheat.

In 1880 the bullion value of a silver dollar had dropped down to 88 cents; still it bought as much or more of the products of the farm than in 1873. It bought about 7½ pounds of cotton, 1½ bushels of corn, and a fraction over two-thirds of a bushel of wheat. The bullion in the silver dollar again went down. In 1885 it was 82 cents. It bought, however, nearly 8 pounds of cotton, 1½ bushels of corn, and 1 bushel of wheat, lacking 4 cents. The bullion value continued to drop and with it all farm products. The bullion value of the silver dollar in 1891 was 76 cents. Still at this value, it bought 12½ pounds of cotton, nearly 2 bushels of corn, and nearly 1 bushel of wheat.

By a simple calculation it can be seen that during all the years from 1872 to 1892, as the bullion value of silver as compared with gold declined, the farm products also declined in nearly the same proportion. This shows that silver is a better measure of value of the products of labor than gold. In other words, it is an honest dollar. It is gold that is the dishonest dollar, as by corrupt legislation it has been made to buy more of the product of labor than it did when it was on a parity with silver, to which free coinage would again bring it. It is just as accurate to call the gold dollar a 135-cent dollar as to call the silver dollar a 70-cent dollar. As before stated, all values are comparative.

The relative value of silver and farm products have been nearly uniform. It is not silver that has depreciated, but it is gold that has appreciated. To repeal the Sherman law without restoring the coinage of silver establishes the single gold standard, which means to still further reduce the value of silver and the products of the farms, the shops, and the mines.

Heretofore Democratic orators have justly and truthfully denounced the high protective tariff laws, especially the McKinley law, as legal robbery, because they taxed the great masses for the benefit of the few. Is it any less robbery to strike down half the money of the people, and thereby enable the gold-holder to purchase the products of labor at half their value?

How the representatives of honest laboring people can vote to do this is not plain to me. Nor is it plain to me how Democrats and Republicans can stand on the declarations of principles contained in their respective platforms, as both declared for bimetallism, and vote to do this.

The Democratic party is by its declaration of principles committed to bimetallism. It declared in its platform of 1880 that it was in favor of "honest money, consisting of gold and silver, and paper convertible into coin on demand."

The Democratic platform of 1884, on which Mr. Cleveland was elected, as well as a Democratic House, declared that—

We believe in honest money, the gold and silver coinage of the Constitution, and a circulating medium convertible into such money without loss.

In 1888, when the Democratic platform, made no specific reference to money, but only reaffirmed the previous platform, the party was defeated.

In 1892, when the party boldly spoke out in favor of the use of both gold and silver as the standard money of the country, the party was again successful. Here is what the platform says. After denouncing the Sherman law and demanding its repeal, it says:

We hold to the use of both gold and silver as the standard money of the country, and to the coinage of both gold and silver without discrimination against either metal or charge for mintage, but the dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value, or be adjusted through international agreement, or by such safeguards of legislation as shall insure the maintenance of the parity of the two metals, and the equal power of every dollar at all times in the markets and in the payment of debts; and we demand that all paper currency shall be kept at par with and redeemable in such coin. We insist upon this policy as especially necessary for the protection of the farmers and laboring classes, the first and most defenseless victims of unstable money and a fluctuating currency.

I repeat, therefore, that the Democratic party is committed to the free use of both gold and silver. It is as well known now as it was fifteen years ago, or as it will be known fifteen years hence, that we can never secure bimetallism as long as we allow Europe to dictate our financial policy. If we expect "an international agreement" to be tendered to us on a golden plate we will be mistaken.

We must force Europe to respect our financial system, as it is dependent on us, to a great extent, for the material for bread and clothing. Whenever we establish a sensible financial system based on bimetallism and will cease to make war on silver we will have all the "safeguards" necessary to maintain the parity of the metals. We never hear any talk of an international agree-

ment to restore a parity of the metals until an effort is made to remonetize silver, but the moment such an effort is made a howl is raised about an international adjustment.

Our domestic commerce is about fifteen times as great as our foreign commerce. Why, then, do we permit one-fifteenth of the business of the country to control the whole and dictate what shall be our medium of exchange?

If the Bland substitute be voted down, and the Wilson bill to repeal the Sherman law be passed, I see nothing but ruin and bankruptcy for the people of the South and West. We will be left in the hands of merciless bankers and gold holders.

While I do not now intend to express any opinion in regard to the establishment of State banks, I think the 10 per cent tax on such banks should be repealed, and the question left to the people of the States to determine what they will do.

The States are sovereign, and Congress has no constitutional power by taxation to prevent the States from supplying their people with a medium of exchange when Congress fails to do so.

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**END OF
TITLE**